

Urban Consolidation Seminar
Brisbane
By Wendell Cox
2 August 2005

DEMOGRAPHIA



**Democratising Prosperity:
Global Perspectives on
Housing Affordability**

The Great
Australian Dream
Brisbane



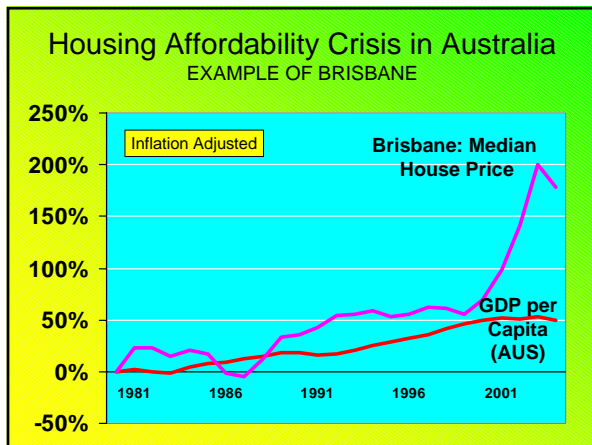
**A BROADER
ISSUE**

The issue is not...

- Land use
- Cities

The issue is...

- Quality of Life
- Social Equity
- Future of the Nation



Housing Affordability in the USA
THE RULE, NOT THE EXCEPTION

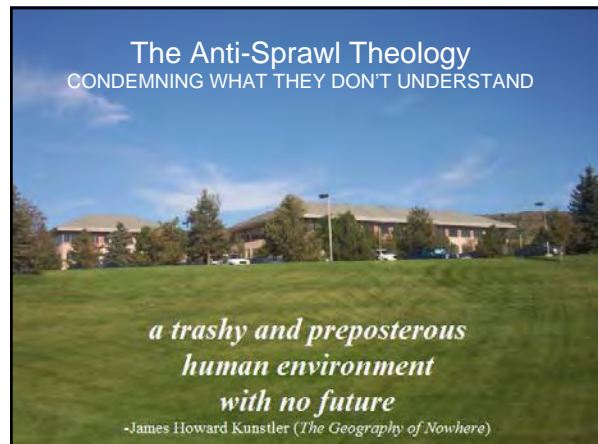


The American Dream
St. Louis
23 July 2005

OUTLINE

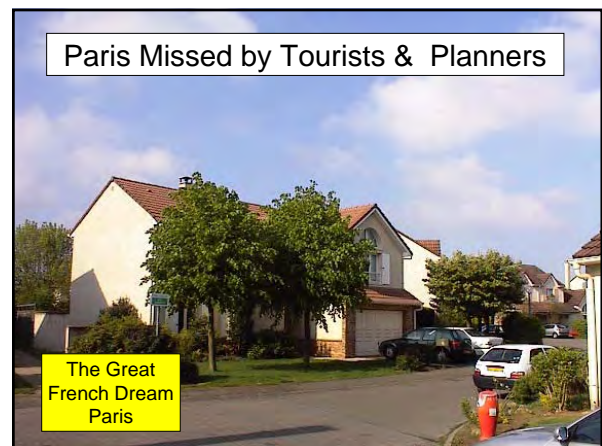
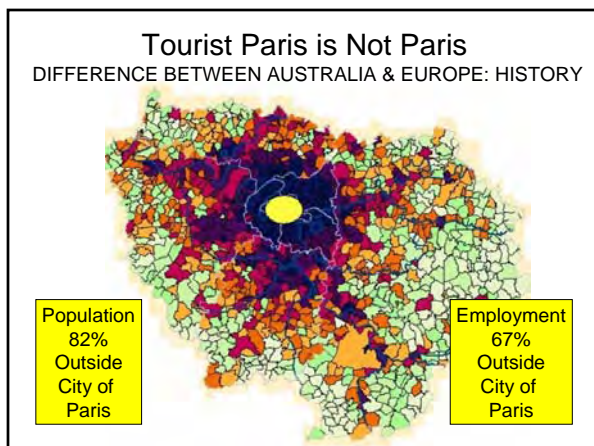
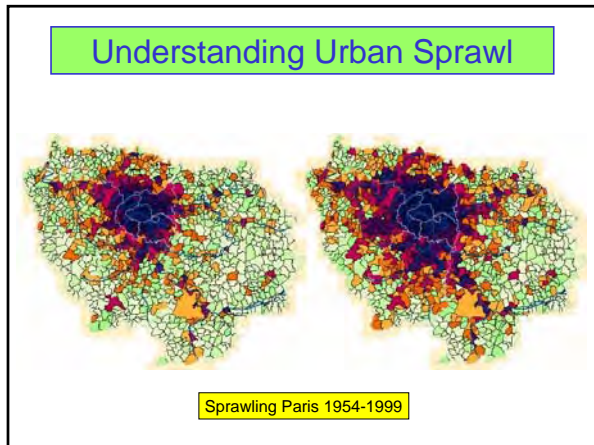
- UNDERSTANDING "URBAN SPRAWL"
- PUBLIC TRANSPORT: HOPELESS RHETORIC
- PORTLAND: FAILED MODEL
- BACKGROUND: DEMOCRATISING PROSPERITY
- HOME OWNERSHIP AND PROSPERITY
- THREATENING THE GREAT AUSTRALIAN DREAM

The Anti-Sprawl Theology
CONDEMNING WHAT THEY DON'T UNDERSTAND



*a trashy and preposterous
human environment
with no future*

-James Howard Kunstler (*The Geography of Nowhere*)





Milan

Toronto

Tokyo

Portland

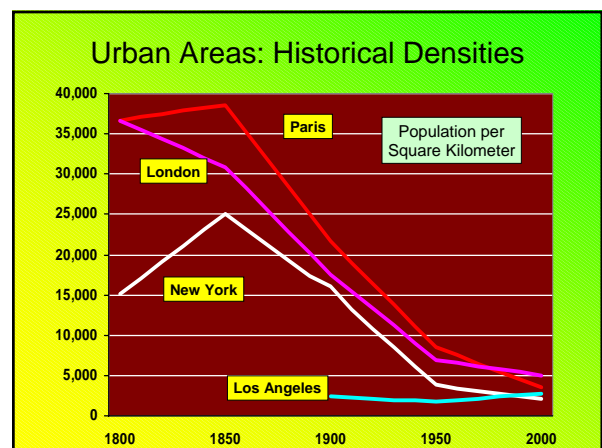
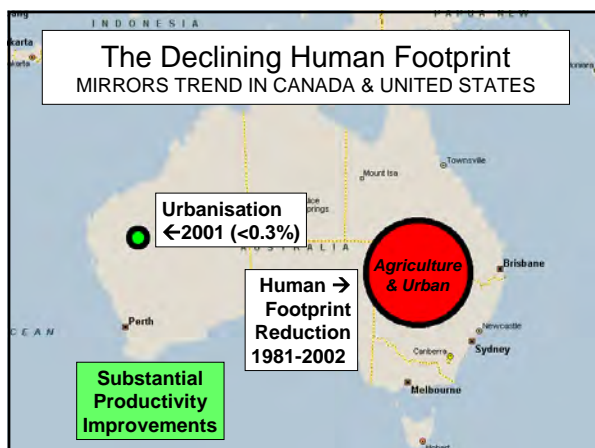
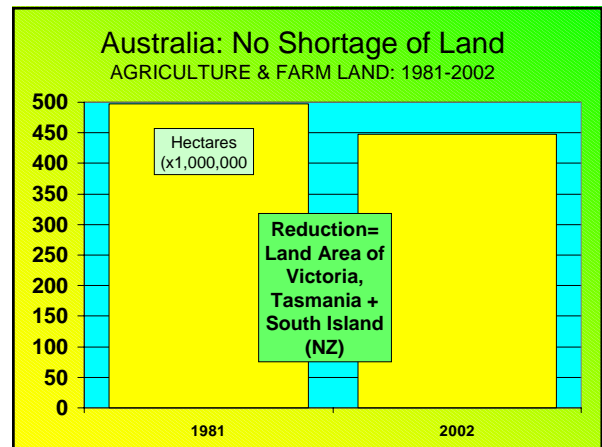
MODERN "SPRAWL" = AUTO ORIENTED DEVELOPMENT

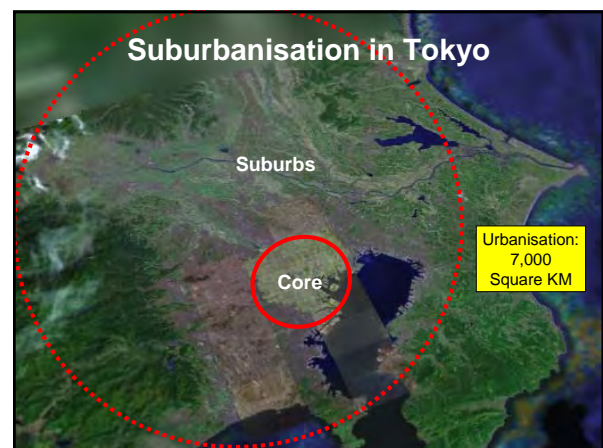
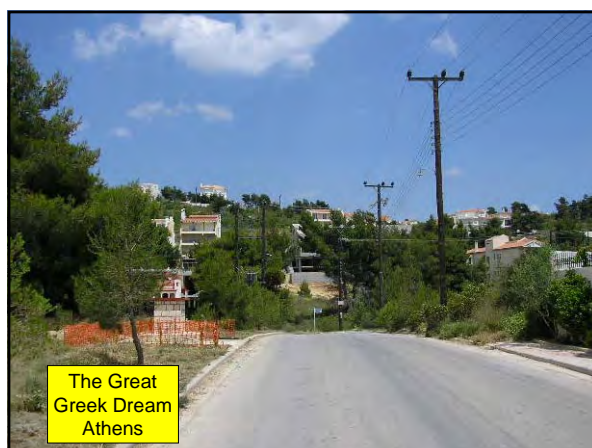
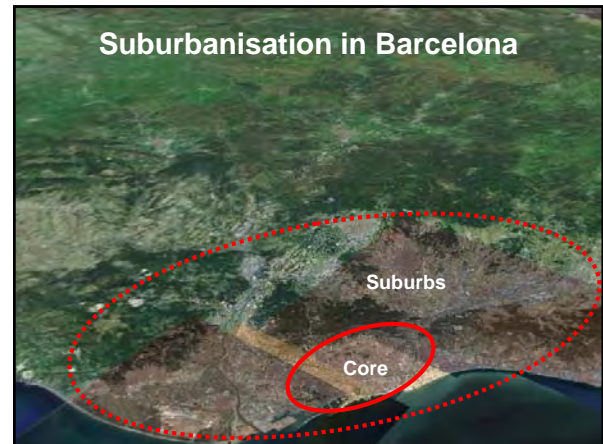
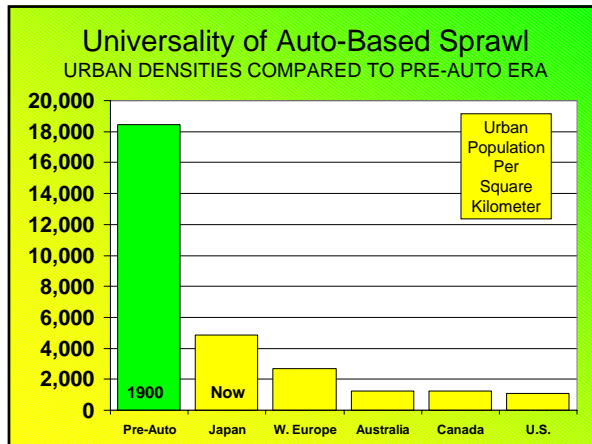
Merriam Webster: "the spreading of urban developments on undeveloped land near a city"

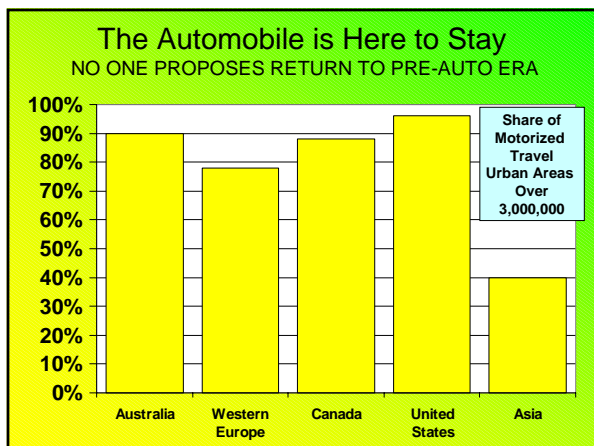
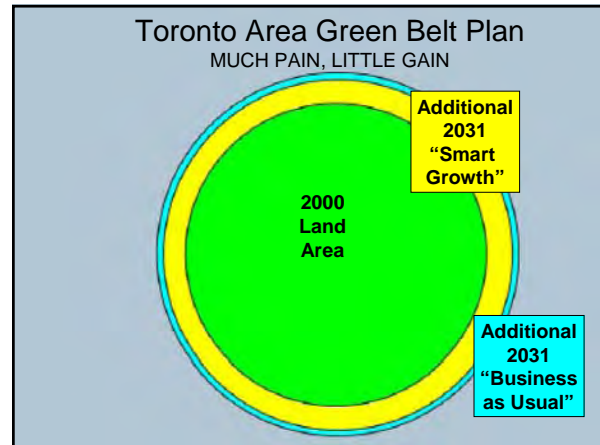
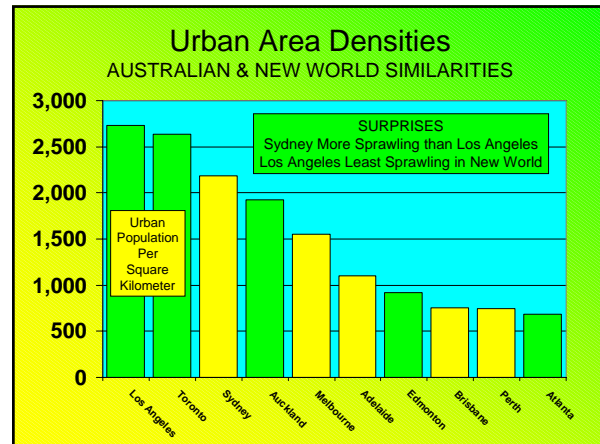
Sprawl is "suburbanisation."

Sprawl is "urban growth" – nearly all urban growth in the high-income world has been suburban in recent decades.

Sprawl =
Automobile oriented development
(especially in Australia, the US, Canada, Western Europe and Japan).



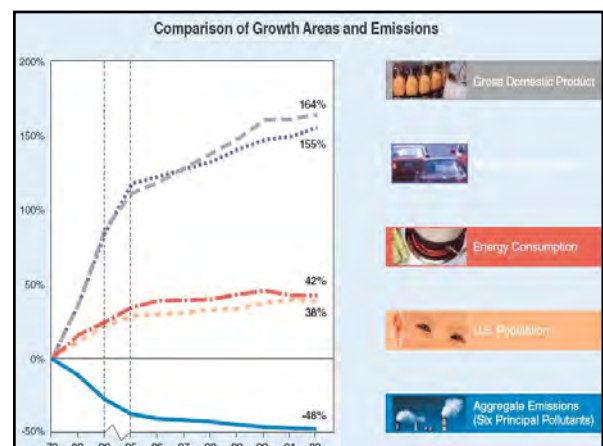
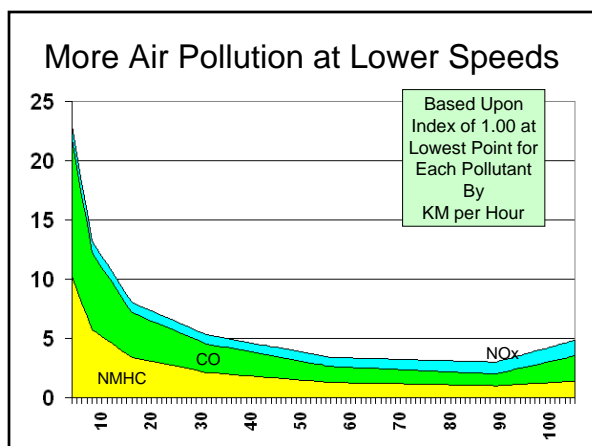
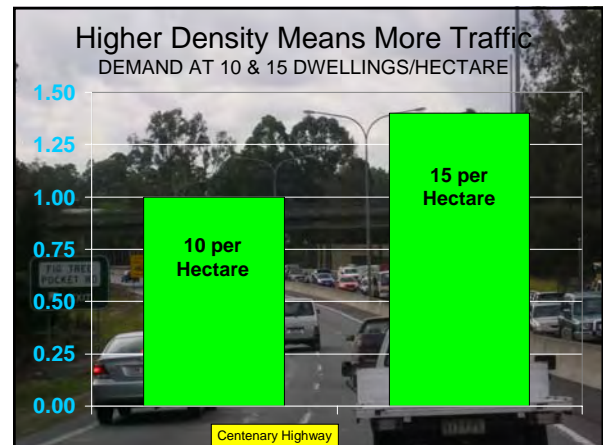
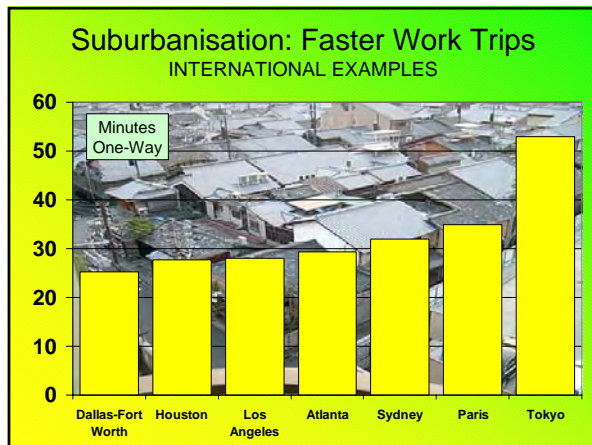
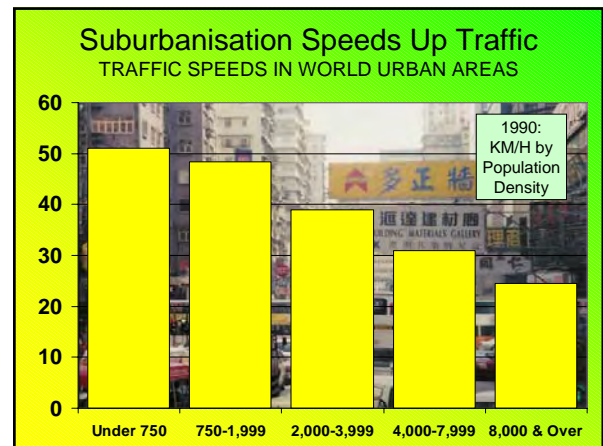
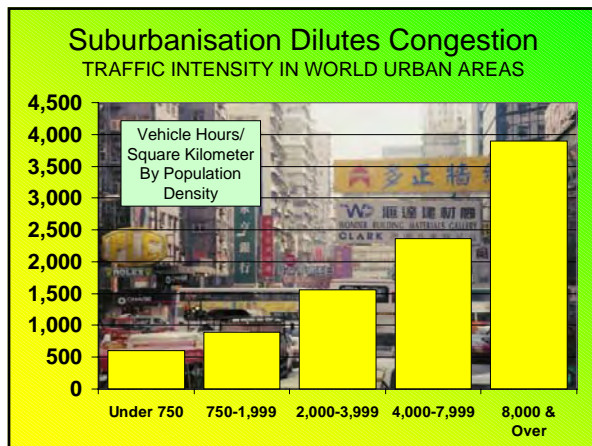


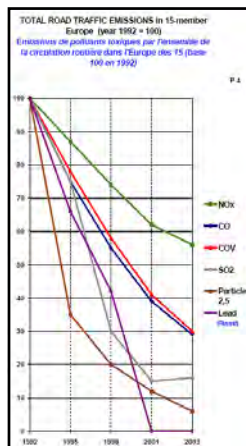


Restore Public Transport City?

REJECT AUTO BASED URBAN AREA?

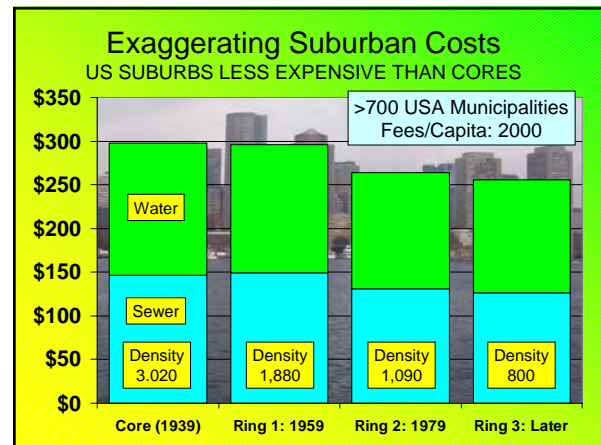
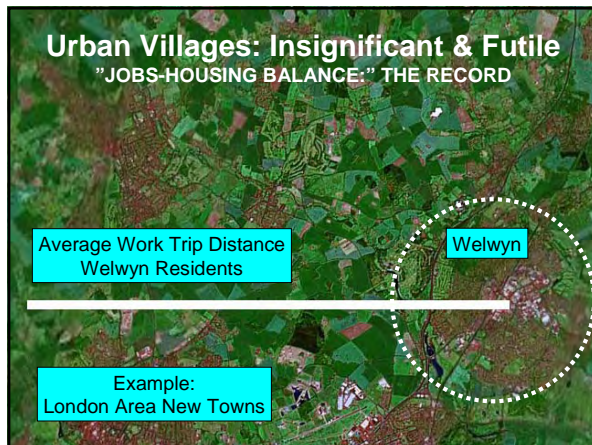
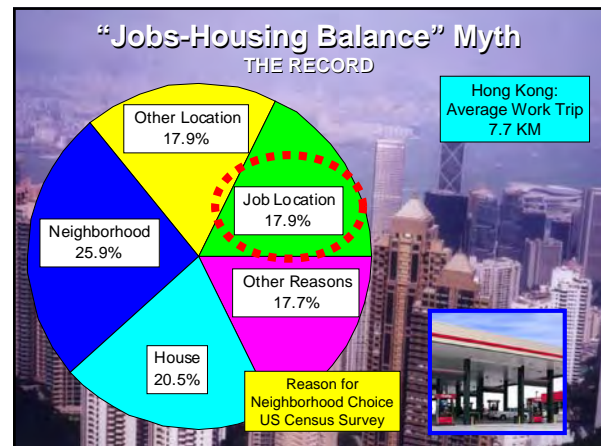
- No serious proposals.
- Would require dismantling more than 85% of urban area & resettlement.
- Auto oriented urban area is here to stay.
- Densification worsens the quality of life.





ROADWAY AIR POLLUTION PROGRESS IN EUROPE (EU-15)

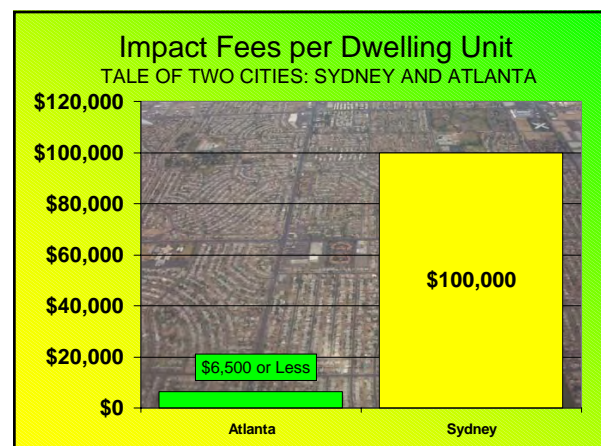
Gross levels down 60% or more in 11 years



Suburban Cost Research

U.S.A. "CANNOT AFFORD" SUBURBANIZATION?

- How did we manage to afford the last 60 years?
- Bankrupt suburbs predictions: 1960s
- Studies: Theoretical, not real data.
- \$225 billion US cost *claim* (to 2025)
\$30 per capita annually



Suburban Cost Research "ILL INFORMED & DISINGENUOUS"

"... if the urban policies ... were not so ill informed and presented in such a disingenuous way, there would not be a need for this contribution to the debate on Australia's cities"

- Patrick Troy (*The Perils of Urban Consolidation*).



NOT SINCE COPERNICUS

... has the conventional wisdom been so wrong.

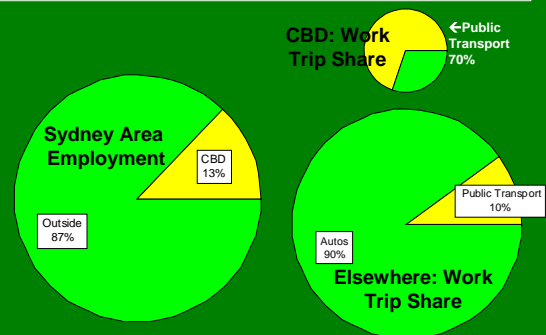
no imperative has been demonstrated.

Public Transport: Hopeless Rhetoric

Not enough people going to the same place at the same time

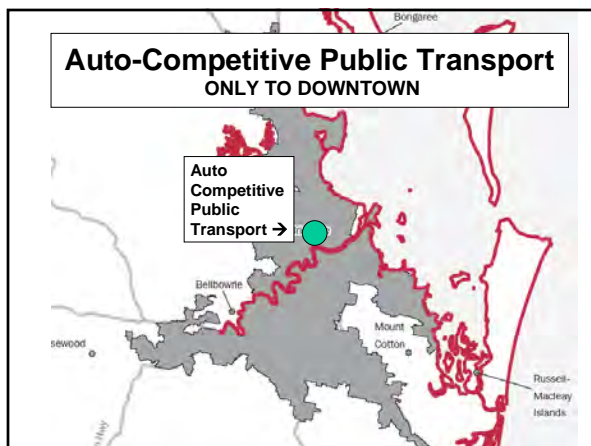
Don Valley Parkway & Commuter Rail
Toronto

Public Transport Work Trip Share IMPORTANT TO CBD, A SMALL PART OF THE MARKET



Auto-Competitive Public Transport ONLY TO DOWNTOWN

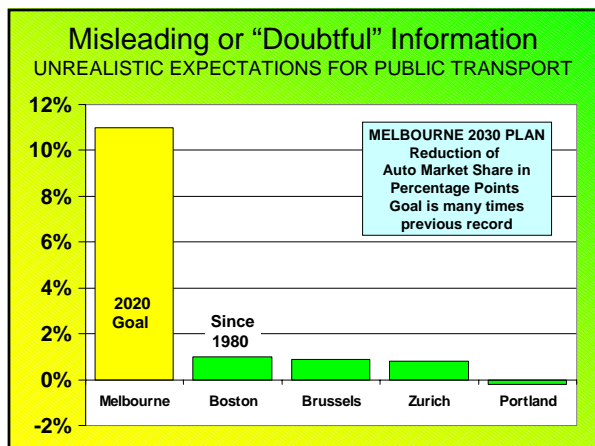
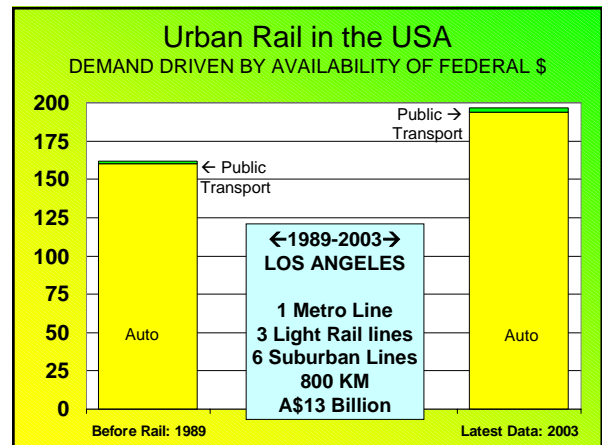
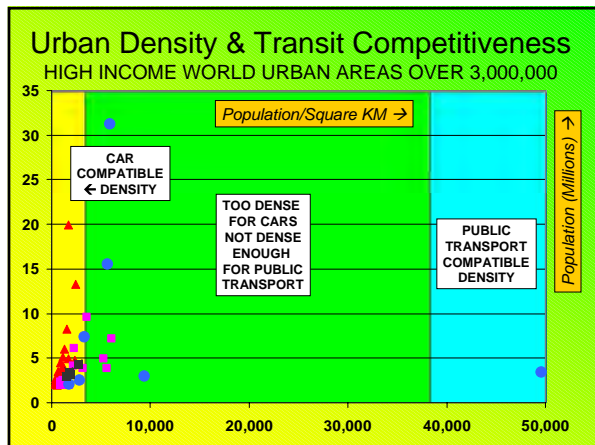
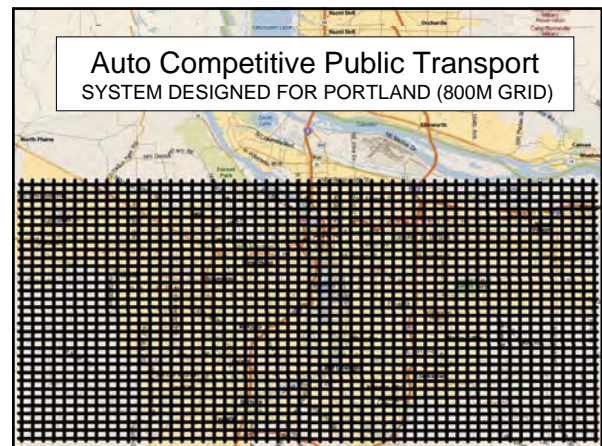
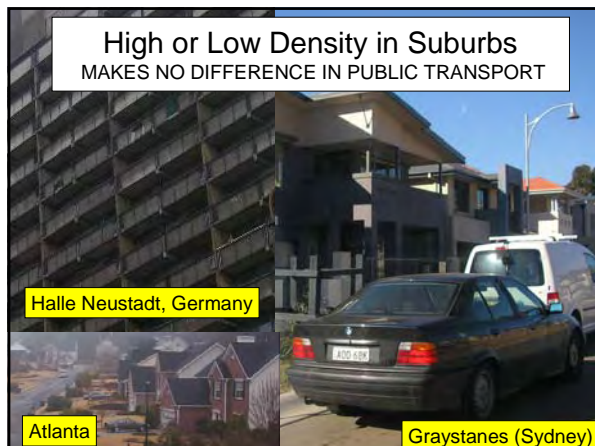
Auto
Competitive
Public
Transport →

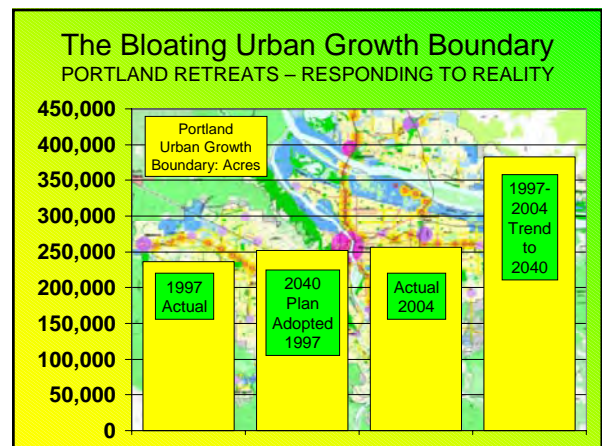
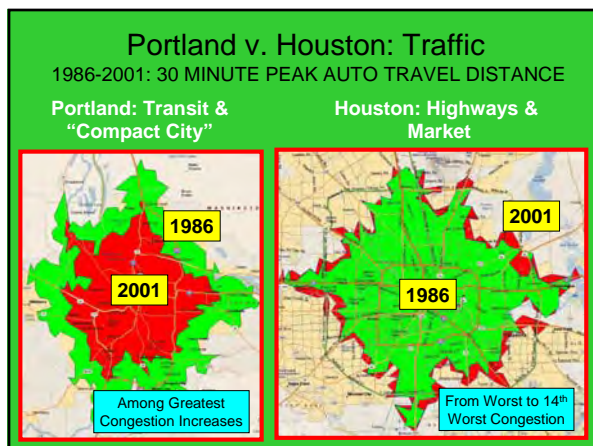
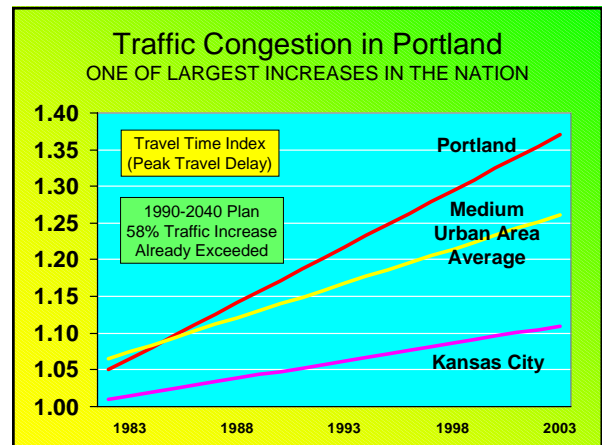
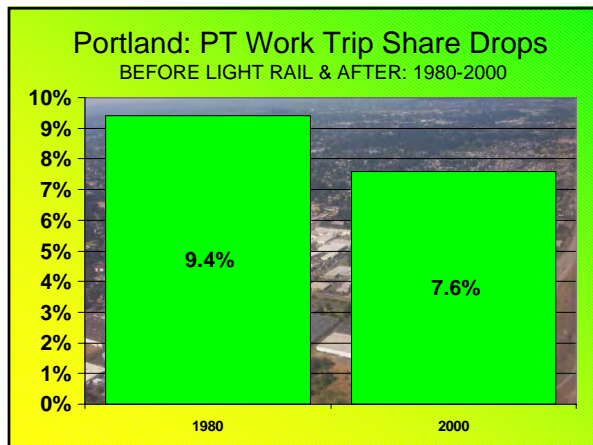
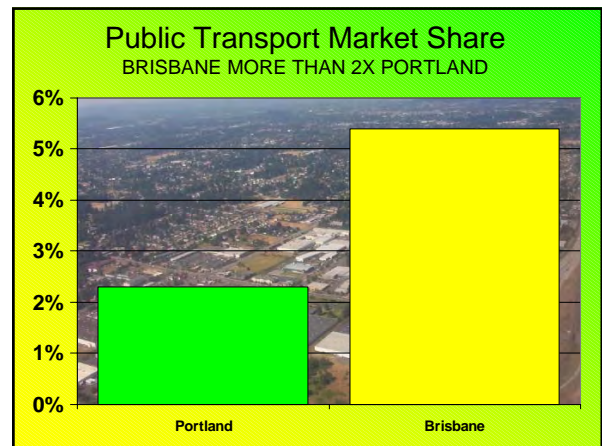
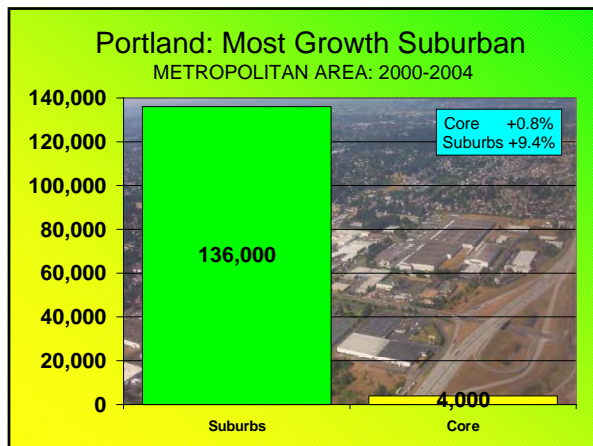


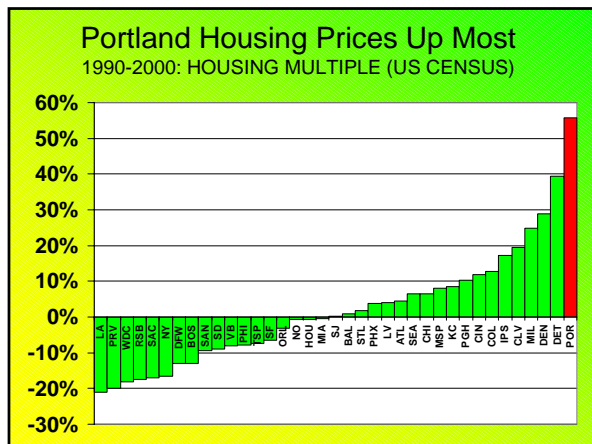
Most Employment is not Downtown

Nor West
Business Park
Sydney









Urban Consolidation: Not Sustainable

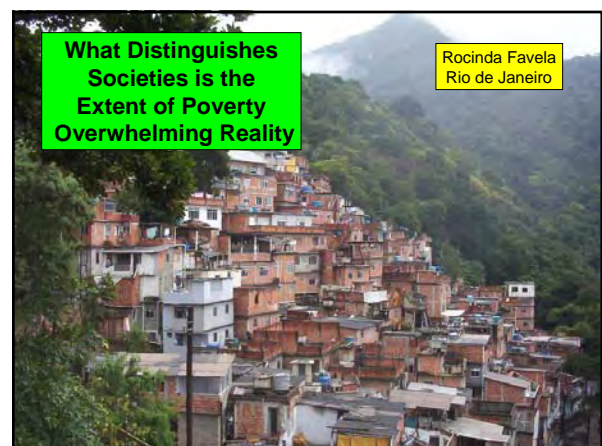
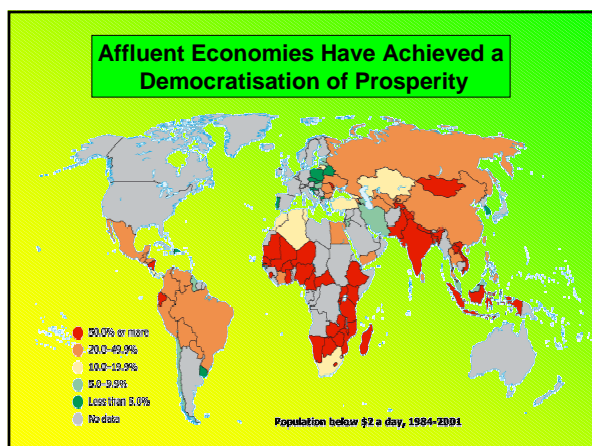
RETREAT: PORTLAND AND ELSEWHERE

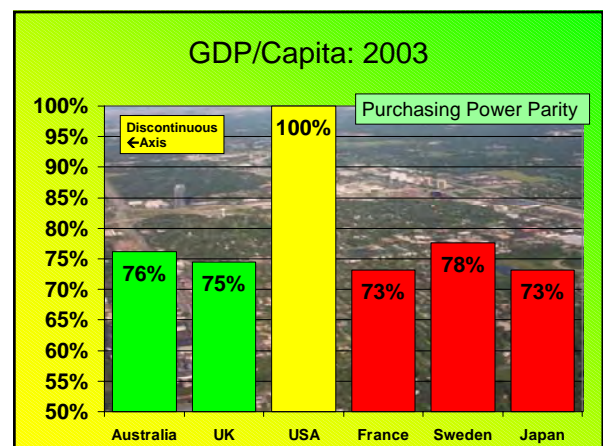
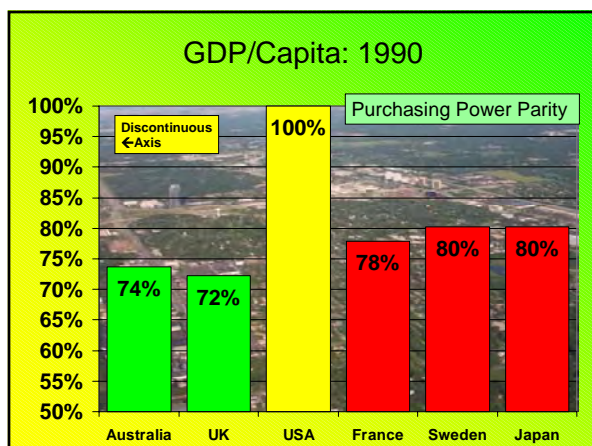
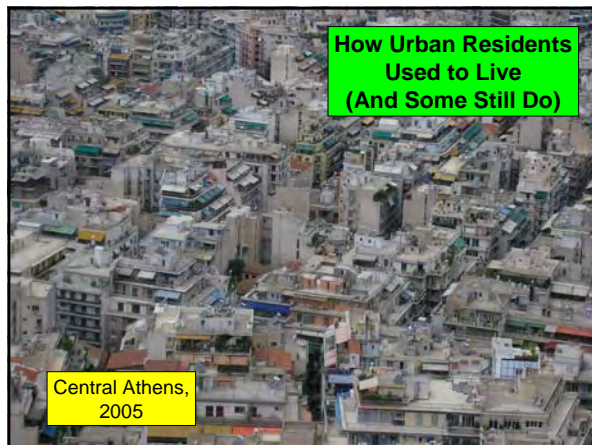
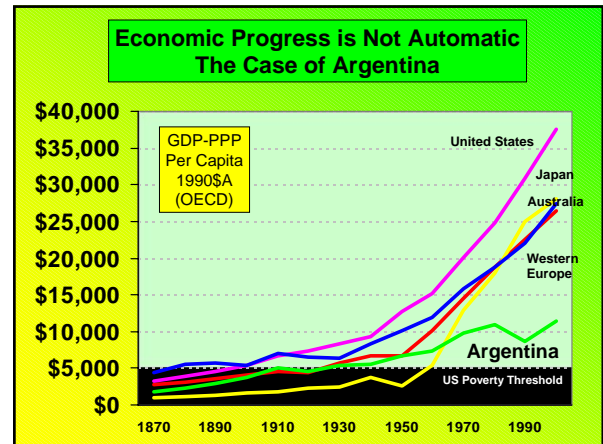
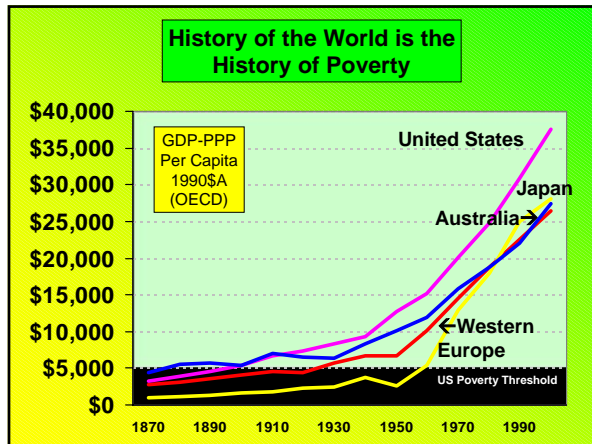
Portland

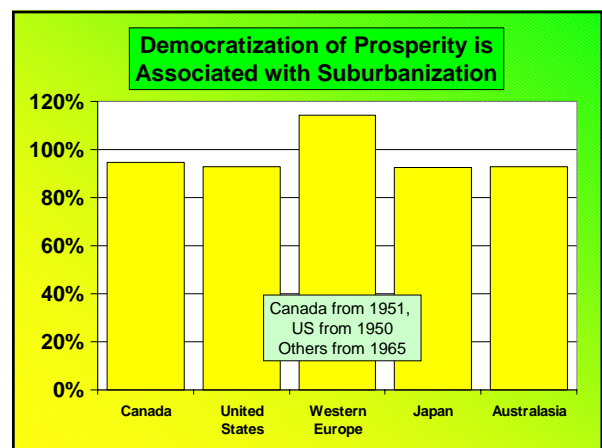
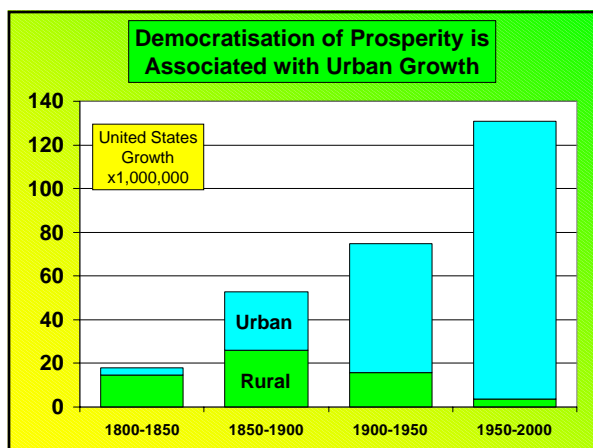
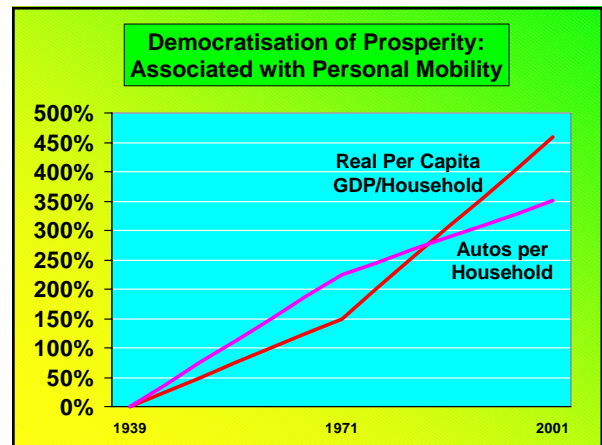
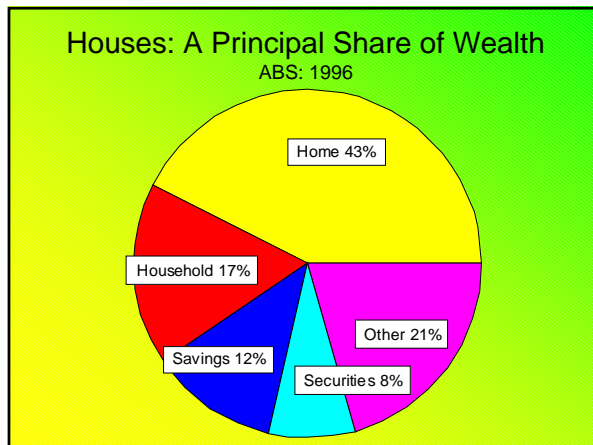
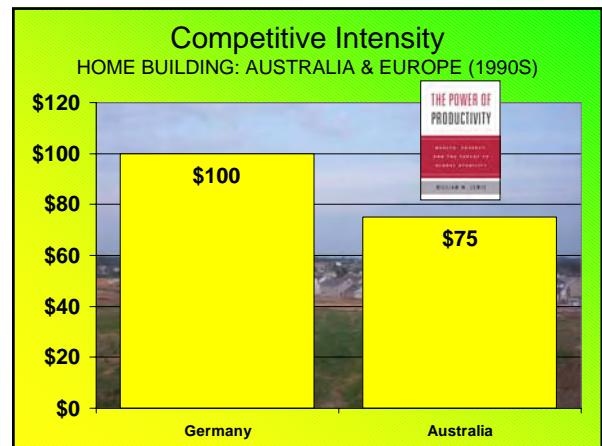
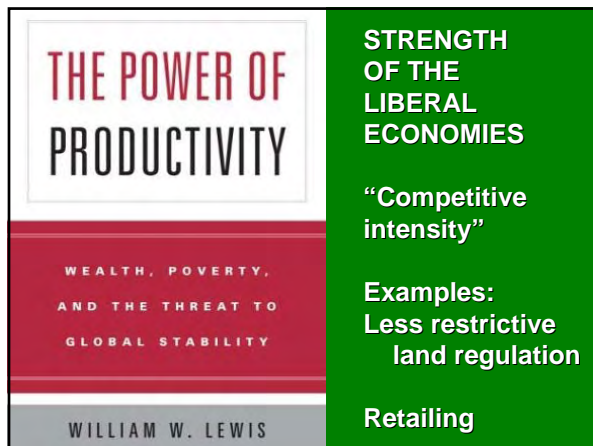
- Anti-densification referendum (2/3)
- Property Rights referendum (2/3)
(Requirement to pay for economic loss from zoning & land use changes)

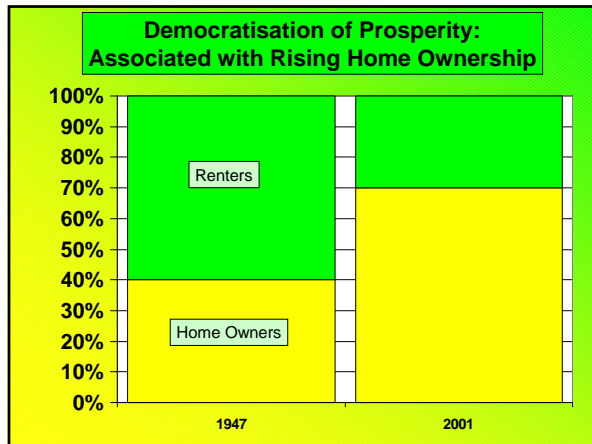
Other Retreats

- Minneapolis-St. Paul
- New Jersey
- Maryland
- Suburban Washington, DC
- Melbourne – 9 meter height limit









COMMON SENSE ECONOMICS

What Everyone Should Know About Wealth and Prosperity

JAMES GWARTNEY,
RICHARD L. STROUP AND DWIGHT B. LEE

BASIC ECONOMIC PRINCIPLE

SCARCITY & RATIONING TEND TO RAISE PRICES

Rationing land for housing development tends to raise house prices.

Higher housing prices lead to lower rates of home ownership.

**Smart Growth:
Strategies & Housing Impacts**

STRATEGIES	EXAMPLES	IMPACTS
Urban Growth Boundaries & Green Belts	Australia Portland Denver London Toronto	Raises housing prices
Down-zoning	Northern Virginia, Boston	Raises housing prices
Excessive Development Impact Fees	Australia California	Raises housing prices

ANDRES DUANY

"Sun Rises in the West" studies

Italian Dream Milan

There is NO question that urban growth boundaries and that elaborate environmental public processes increase the cost of housing by creating scarcity. (And don't tell me otherwise, because I am not stupid, nor am I inexperienced, nor do I have underdeveloped powers of observation).

HIER
Harvard Institute of Economic Research

Discussion Paper Number 1948

The Impact of Zoning on Housing Affordability

by
Edward L. Glaeser and Joseph Gyourko
March 2002
Harvard University
Cambridge, Massachusetts

This paper can be downloaded without charge from the
<http://econpapers.harvard.edu/hier/2002/paper1948.html>

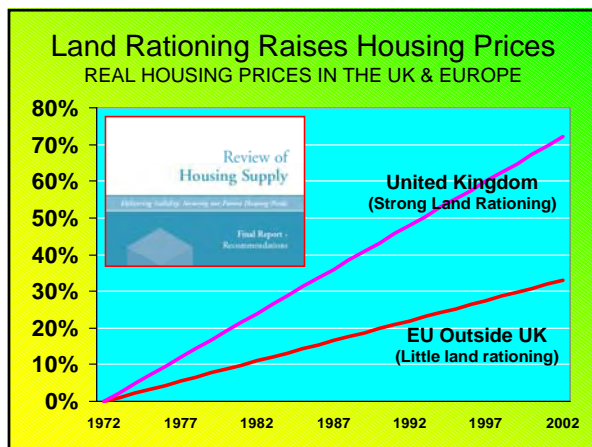
...our evidence suggests that zoning and other land use controls play the dominant role in making housing expensive.

HARVARD STATE OF THE NATION'S HOUSING 2005

“Development constraints drive up land and construction costs as well as prevent new housing from keeping pace with rising demand.”

WACHOVIA BANK

“We have identified three major factors which have worked to restrain supply over the past decade, all of which remain very much alive and well today. The first is the spread of the Smart Growth, Slow Growth and No Growth movements throughout the country.”



U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT REPORT

“A number of communities ... have used smart growth rhetoric to justify restricting growth and limiting developable land supply, which lead to housing cost increases.”

LAND USE REGULATION RETARDS ECONOMIC GROWTH

“metropolitan areas with stringent development regulations generate less employment growth than expected given their Industrial bases”

Unaffordable Housing

Fables and Myths

AN ALARM ON PLANNING IN THE UNITED KINGDOM

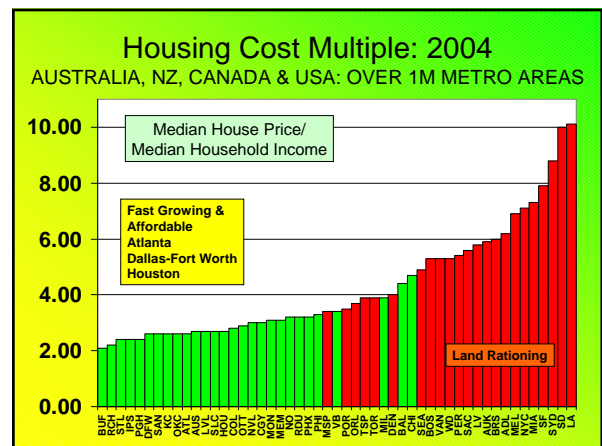
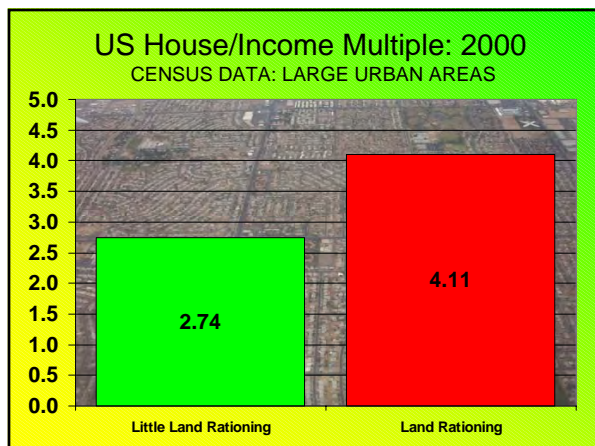
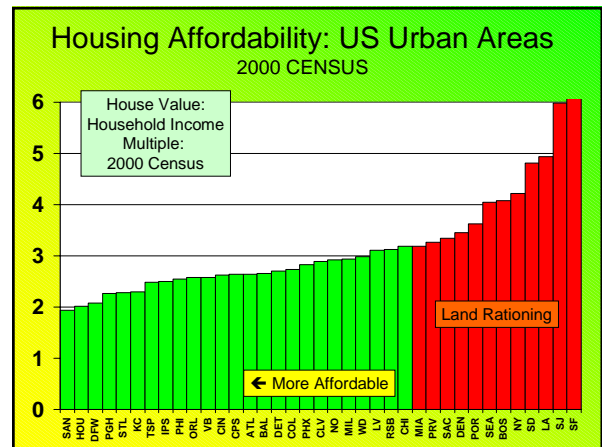
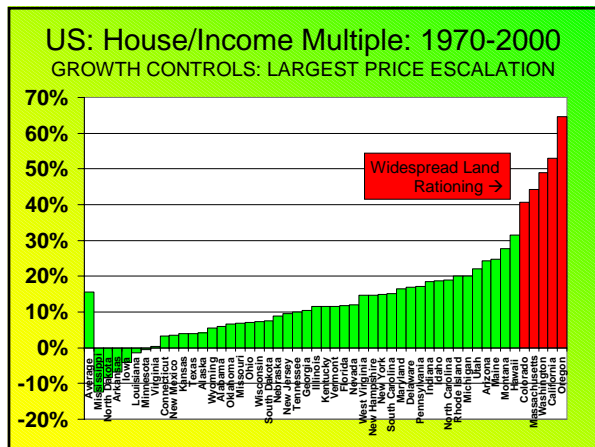
“The nightmare scenario for the British economy could be that a ‘tipping point’ was reached where the financial services industry of the city decamps to cheaper cities elsewhere in Europe.”

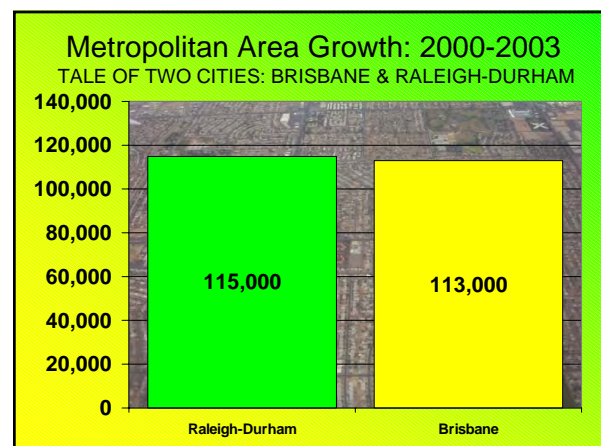
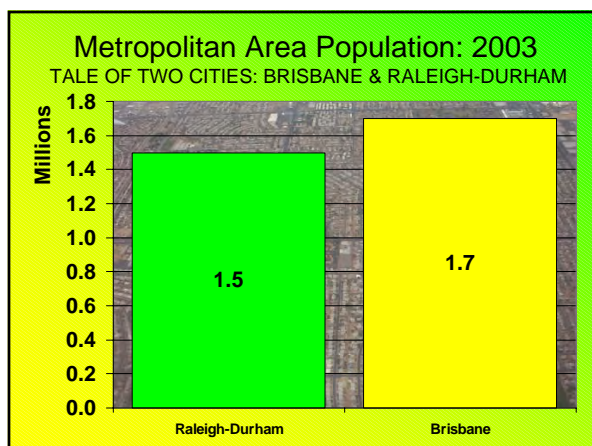
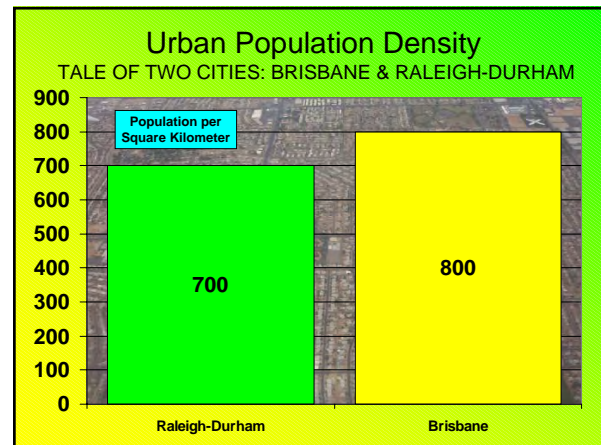
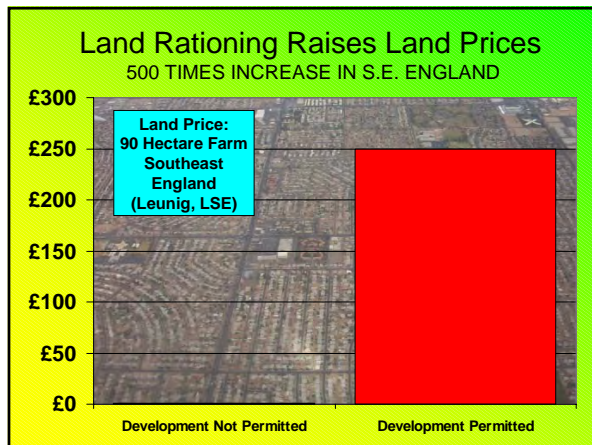
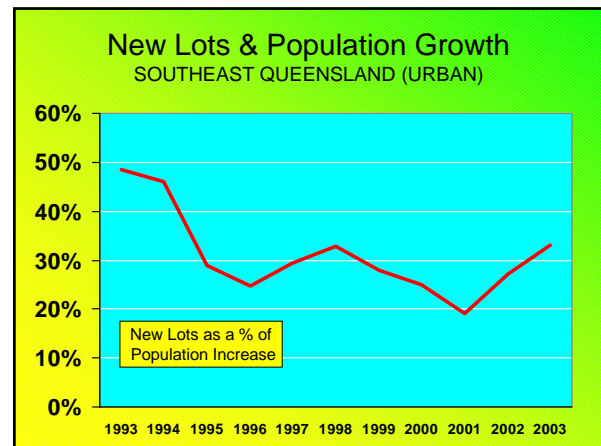
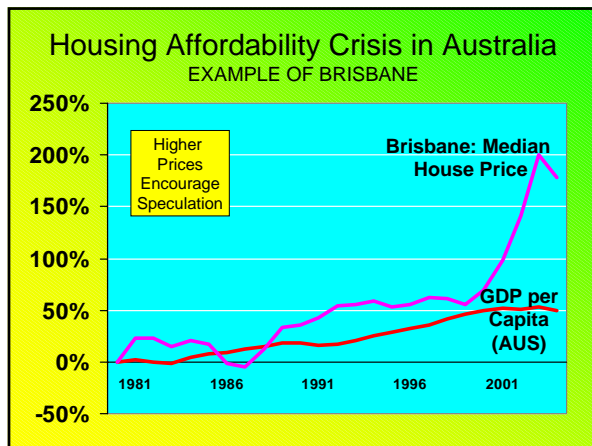


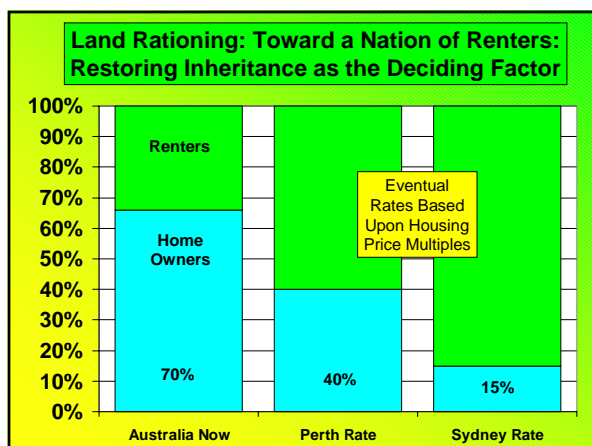
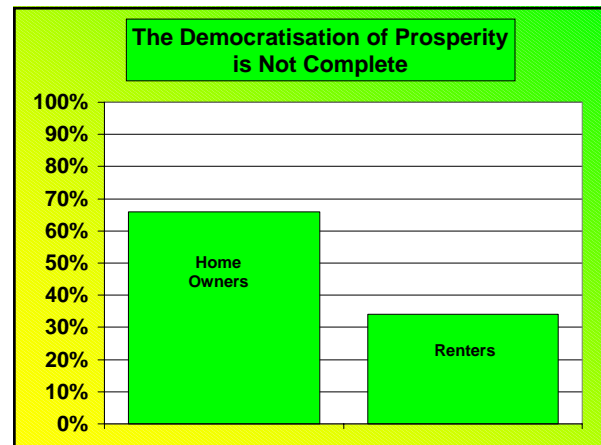
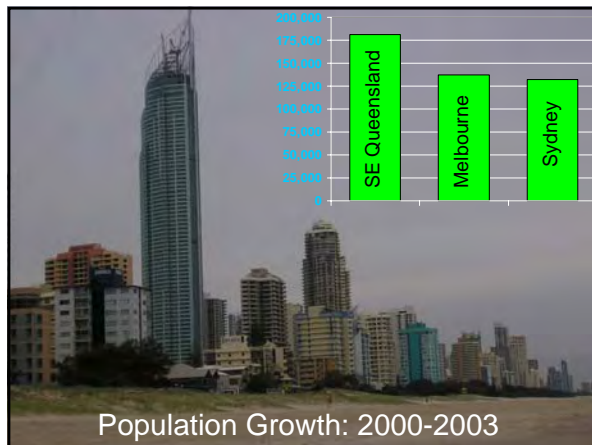
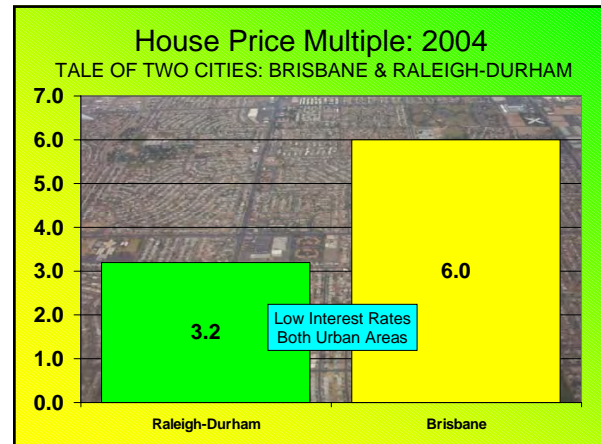
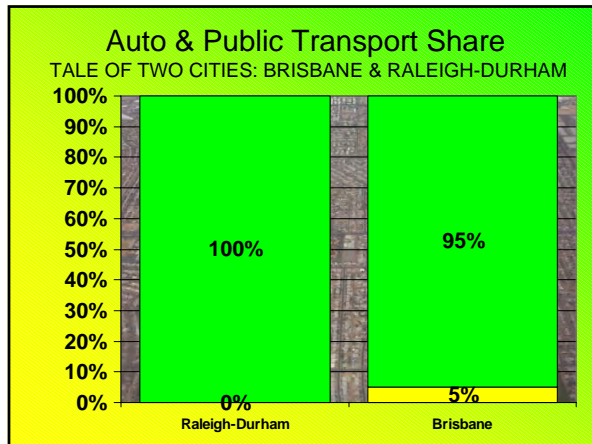
House Price/Income Multiple

A SIMPLIFIED MEASURE

- Median house price divided by median household income.
- Permits ready comparison, national and international
- Simplified and understandable
- Historical value: Approximately 3.0







CAIO Online Policy Report
Volume XX Number 2 Mar/Apr, 1998
Perspectives from four continents
Solving the Global Public Pensions Crisis

CHICAGO SUN-TIMES
sun-times.com
Looming Social Security crisis demands action now

ca magazine .com
CFOs expect pension crisis to linger

news.telegraph
Public sector pensions bill for taxpayers hits £700bn
By Ian Cowie, Personal Finance Editor
(Filed: 18/02/2005)

STRONG ECONOMIC GROWTH: IS NECESSARY

But
"Smart Growth:" constitutes an assault on the economy.





Getting the Priorities Straight

Do people exist for cities?

or...

Do cities exist for people?

People's Route → →

Planner's Route → →

Paris Suburbs

**PLANNING REFORM:
Back to Basics:**

Not telling people how to live...

Rather, helping people live as they prefer